



# **CURRENCY**

## **Committee on Financial Services**

**Michael G. Oxley, Chairman**

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### **Subcommittee to Review Defense Production Act**

The House Financial Services Subcommittee on Domestic Monetary Policy, Technology and Economic Growth, chaired by Rep. Peter T. King (NY), will hold a hearing on reauthorization of the Defense Production Act at 3 p.m. Wednesday, June 13 in room 2220 Rayburn House Office Building.

"The Defense Production Act provides the President with important authorities to ensure that the United States will have the equipment and supplies it needs in the event of unexpected national defense crises or civil emergencies," said King. "It is my hope that Congress can reauthorize this important legislation in a timely manner."

The Defense Production Act (DPA) was established during the Korean War to ensure the availability of industrial resources to support national security and defense readiness. Since then, Congress has regularly reauthorized the Act, usually in increments of three to five years. The Act's current congressional authorization expires at the end of the current federal fiscal year.

The DPA uses economic tools to provide prompt, adequate and uninterrupted supplies of industrial resources to satisfy both national security needs and needs arising from civil emergencies.

The DPA, for example, authorizes the President, after reaching certain findings, to ensure the timely availability of products, materials and services needed by the armed services. During the Persian Gulf War, the Act was invoked to secure the availability of computer equipment, chemical warfare protective clothing and medical supplies.

The Act also allows the use of financial incentives, such as loans and guarantees, to encourage production of needed items when private companies are reluctant to meet potential demand.

The Subcommittee will hear from government witnesses, including the Federal Emergency Management Agency which coordinates DPA resources, on the Act's role in national emergency preparedness.

Witnesses scheduled to testify are:

- David R. Oliver Jr., Principal Deputy Under Secretary for Acquisition, Technology and Logistics, Department of Defense
- Kenneth I. Juster, Under Secretary for Export Administration, Department of Commerce
- Eric J. Fygi, Deputy General Counsel, Department of Energy
- Michael Brown, General Counsel, Federal Emergency Management Agency

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